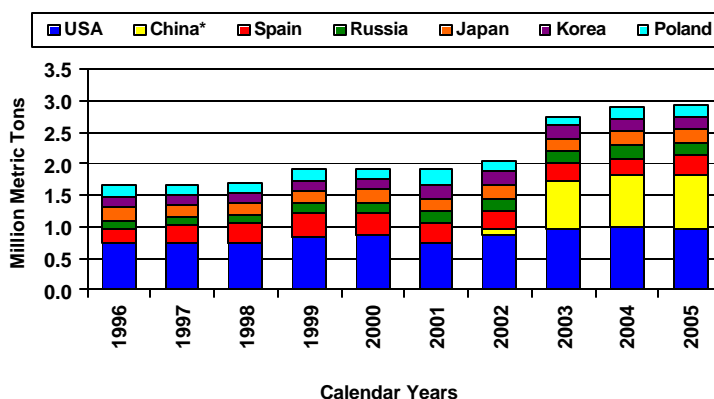


STRAWBERRY SITUATION AND OUTLOOK FOR SELECTED COUNTRIES

GLOBAL PRODUCTION AND TRADE

The United States is the world's leading producer of strawberries for both the fresh and frozen markets. U.S. production has seen steady growth over the past several years. Typically, about 25 percent of U.S. production goes to the frozen market. China is the second largest fresh strawberry producer, with most of its production utilized by the fresh market. Spain is the third largest producer of fresh strawberries.

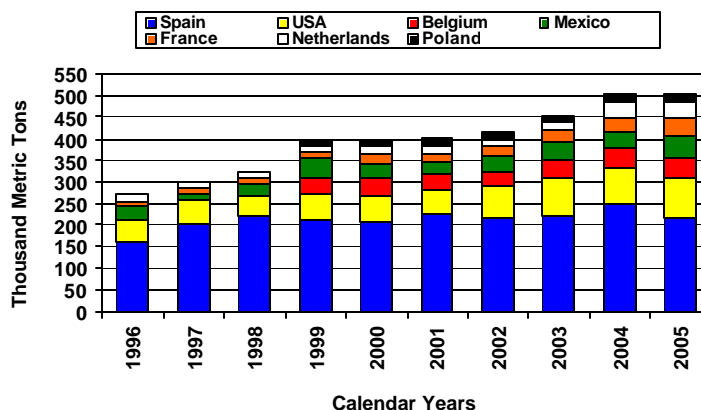
Top Fresh Strawberry Producers



Source: Food and Agriculture Organization (FAO) of the United Nations; FAS/USDA
 *China data source: FAS/USDA; only available for 2002-2004

Spain is the world's leading exporter of fresh strawberries, followed by the United States. In calendar year (CY) 2005, Spain exported 216,601 tons of fresh strawberries, while the United States exported 94,030 tons.

Top Fresh Strawberry Exporters



Source: Food and Agriculture Organization (FAO) of the United Nations; Global Trade Atlas
 Note: HS081010

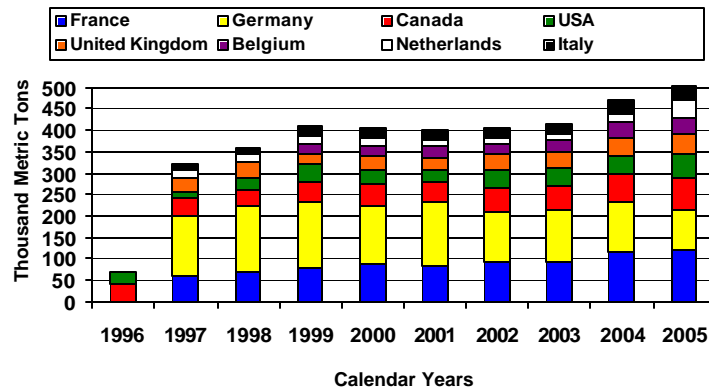
FRESH STRAWBERRIES

Canada

Production in CY 2006 is forecast at 24,000 tons, up 4 percent from CY 2005, depending on weather conditions. In the last several years, low profitability and variable spring weather conditions have resulted in a steady decline in the total Canadian strawberry bearing acreage. Bearing acreage is forecast to fall slightly in 2006 to 3,950 hectares. Although yields have been higher in recent years, the increases have been insufficient to offset the decreased bearing areas.

In CY 2005, Canada was the third largest importer in the world, purchasing 74,763 tons, 16 percent more than CY 2004. Canada's fresh strawberry imports in CY 2006 are expected to remain about the same. Typically, Canada purchases over 95 percent of its total imports from the United States, with most of the remainder coming from Mexico and New Zealand.

Top Fresh Strawberry Importers



Source: Global Trade Atlas; Bureau of Census, DOC; Food and Agriculture Organization (FAO) of the United Nations
Note: HS081010

Canada's exports of fresh strawberries are insignificant. For more information, please see FAS attaché report #CA5087.

China

China has increased its strawberry production rapidly in recent years to become one of the major strawberry producers in the world. Over the last few years, China's fresh strawberry production has increased dramatically, due to high profitability, high market demand, and increased exports. However, in CY 2006, production is forecast at 646,000 tons, down 23 percent from 2005. This is mainly due to poor weather and poor returns, which caused some growers to shift to more profitable crops. Approximately 70 percent of China's production is consumed domestically as fresh product.

Fresh strawberry exports from China are small, but they have been growing, totaling 2,423 tons in CY 2005, nearly double the previous year. However, CY 2006 exports are expected to drop 9 percent to 2,200 tons. China does not import fresh strawberries. For more information, please see FAS attaché report #CH5083.

Italy

Strawberry production in Italy has declined steadily over the past several years, mainly due to high labor costs and international competition. Production in CY 2006 is forecast at 80,000 tons, down slightly from the previous year, mainly due to the continued decrease in planted area.

In CY 2005, Italy was the eighth largest fresh strawberry exporter in the world, exporting almost 23,000 tons. Exports are expected to fall 13 percent in CY 2006 to 20,000 tons, mainly due to the strong competition from Spain and other foreign producers. Italy's top export markets are other European Union (EU) members.

In CY 2005, fresh strawberry imports in Italy totaled 34,692 tons, up 13 percent from the previous year. Imports of fresh strawberries are expected to increase only 1 percent in 2006. For more information, please see FAS attaché report #IT5037.

Japan

Japan's strawberry production has been declining modestly in the last few years, due to labor shortages in some regions. In marketing year (MY) 2005/06 (October 2005-September 2006), production is forecast at 188,000 tons, down 3 percent from the previous year.

In CY 2005, imports totaled 3,947 tons, down 7 percent from the previous year. Typically, the United States supplies around 70-90 percent of Japan's fresh strawberry imports. Japan's 2006 imports are forecast to remain about the same.

Japan's exports are insignificant, as almost all production is consumed domestically. For more information, please see FAS attaché report #JA5066.

Mexico

Strawberry production for MY 2005/06 (August 2005-July 2006) is forecast at 150,000 tons, up 3 percent from the previous year, due to good weather conditions and strong prices. Over 90 percent of Mexico's strawberries are produced in the states of Michoacan, Guanajuato, and Baja California.

In CY 2005, Mexico was the third largest fresh strawberry exporter in the world, with 52,357 tons. This is a 40-percent increase from the 2004 level. Its top export market is the United States. Typically, about 98 percent of Mexico's exports of fresh strawberries go to the United States. The remainder is shipped by air to Europe. Exports in 2006 are forecast to rise slightly.

Imports of fresh strawberries have increased in recent years, mostly from the United States. Since the North American Free Trade Agreement (NAFTA) took effect in 1994 and eliminated the 20-percent duty, Mexican imports from the United States have increased more than 200 percent. In CY 2005, Mexico imported 13,430 tons from the United States, up 9 percent from 2004. Imports for 2006 are forecast to rise about 4 percent. For more information, please see FAS attaché report #MX5092.

Poland

The strawberry production forecast for CY 2006 is 160,000 tons, 11 percent lower than the previous year. This is due to large carryover stocks of frozen strawberries, low producer prices, and expected declines in area planted and harvested.

Exports of fresh strawberries in CY 2005 totaled 22,691 tons, down 3 percent from 2004. Poland's main regional market for exports is the EU. Germany is the single largest

country market, typically consuming around 40 percent of total exports. Exports for CY 2006 are forecast at 20,000 tons, down 12 percent from 2005.

Generally, Poland imports small quantities of fresh strawberries, most of which come from Spain. In CY 2005, imports totaled 3,939 tons, up 200 percent from the previous year. For more information, please see FAS attaché report #PL5030.

Spain

Spain's fresh strawberry production for CY 2006 is forecast at 295,000 tons, a 4-percent decrease over the previous year. The focus of Spain's industry is for the fresh market. Typically, only about 10-15 percent of production is used for the frozen and processing market.

Spain typically exports more than twice as much as the United States. In CY 2005, Spain exported 216,601 tons of fresh strawberries, down 14 percent from CY 2004. Spain's largest export markets are typically other EU countries. Spain's CY 2006 exports are expected to remain about the same.

Spain's imports of fresh strawberries in CY 2005 totaled 6,305 tons, down 20 percent from the previous year. The CY 2006 import forecast is 8,000 tons, up about 30 percent from the previous year. For more information, please see FAS attaché report #SP5036.

United States

The United States is the world's largest fresh strawberry producer, producing about 25 percent of the world's total over the last several years. Total U.S. production of strawberries for CY 2005 reached 1.05 million tons, a 5-percent increase from the previous crop. Average annual production over the past 5 years totaled about 900,000 tons, with growth occurring each year for the past 5 years. Generally, about 75 percent of the total production is utilized for the fresh market, and the remainder is processed. The fresh market accounts for most of the growth in the strawberry market over the last several years. Although strawberries are grown in many U.S. states, California dominates the U.S. strawberry production.

The United States is the world's second largest exporter of fresh strawberries, after Spain. In CY 2005, the United States exported 94,030 tons of fresh strawberries, up 14 percent over the CY 2004 level. U.S. strawberry exports averaged 79,000 tons over the last 5 years. The leading export markets for fresh strawberries are Canada, Mexico, and Japan. Traditionally, Canada imports nearly 80 percent of all U.S. strawberries.

In CY 2005, the United States was the fourth largest importer of fresh strawberries, after France, Germany, and Canada, importing 55,685 tons, up 30 percent from CY 2004. The predominant supplier of fresh strawberries is Mexico, which typically supplies more than 95 percent of U.S. imports.

FROZEN STRAWBERRIES

Canada

Production of frozen strawberries in Canada is small. For CY 2006, production is forecast at 2,800 tons, down 3 percent from CY 2005. Due to the low level of production, Canada's frozen strawberry exports are very small.

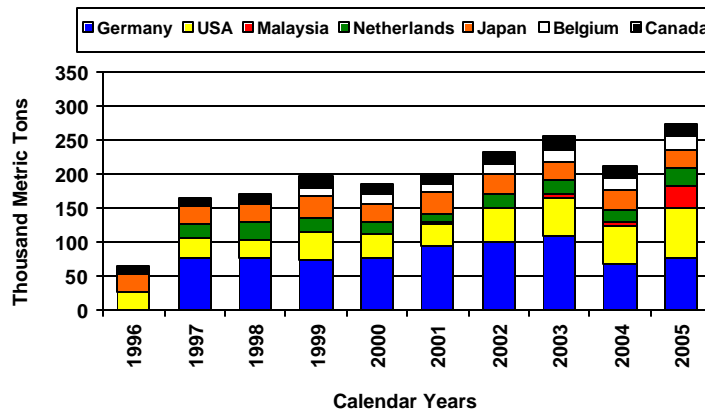
Canada is a major importer of frozen strawberries. In CY 2005, imports totaled 18,955 tons, up 11 percent from the previous year. In 2006, the forecast is 20,000 tons, up 6 percent. Canada typically purchases around 40 percent of its frozen strawberry imports from the United States.

China

In recent years, rapid increases in production of frozen strawberries have been fueled by growing exports. For CY 2006, Chinese frozen strawberry production is forecast at 82,500 tons, down 9 percent from 2005, but up considerably from 65,700 tons in 2003.

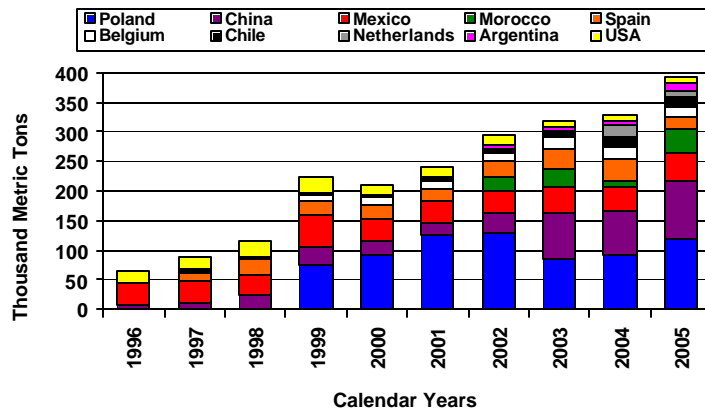
China's frozen strawberry exports have grown at a tremendous rate in the past few years. In CY 2006, exports are forecast at 86,330 tons, down 9 percent from 2005, but up more than 1,000 percent over the last decade. This forecasted drop is due to the anti-dumping tariff that might be imposed by the EU, as well as the rising price of Chinese strawberries. The top markets for Chinese frozen strawberries in 2005 were the EU-25 (45 percent market share by volume), Japan (16 percent), the United States (15 percent), and Canada (5 percent).

Top Frozen Strawberry Importers



Source: Food and Agriculture Organization (FAO) of the United Nations; Global Trade Atlas
Note: HS081110. 1996 data not available for Germany, Malaysia, or the Netherlands. Belgian data not available prior to 1999.

Top Frozen Strawberry Exporters



Source: Food and Agriculture Organization (FAO) of the United Nations; Global Trade Atlas
Note: HS081110. Data not available for Poland or Belgium prior to 1999. Data not available for 1996 for Spain, Chile, Netherlands, or Argentina. Data not available for Morocco prior to 2002. 2005 data for Morocco estimated based on 10 months of data.

Although imports are much smaller than exports, they have also increased very rapidly in recent years. In 1997, imports totaled 5,746 tons. By CY 2005, imports totaled 12,080 tons. Imports in CY 2006 are forecast at 11,200 tons, up 20 percent from 2005, based on reduced production forecasts.

Italy

About 10 percent of Italy's strawberry crop is typically used for frozen and processed production. The CY 2006 production forecast for frozen strawberries is 10,000 tons, unchanged from the previous 2 years.

In CY 2005, Italy's imports of frozen strawberries totaled 9,295 tons, an increase of more than 50 percent over the 1997 total. Other EU members supply the majority of Italy's imports. Italian exports of frozen strawberries are negligible.

Japan

Very little of Japan's production is used for frozen or processed strawberries. For MY 2005/06 (October 2005-September 2006), Japan's frozen strawberry production is forecast at 700 tons, same as the previous 2 years. All frozen production is consumed in Japan.

In CY 2005, Japan imported 27,308 tons of frozen strawberries, down 4 percent from the 2000 level. China is Japan's largest supplier, supplying 68 percent of Japan's frozen strawberry imports in 2005. China replaced the United States as Japan's largest supplier in 2001, and the U.S. share has continued to shrink. This trend is due to the competitive price of Chinese frozen strawberries, which are less than half the price of U.S. product.

Mexico

Frozen strawberry production is forecast at 52,200 tons for MY 2005/06 (August 2005-July 2006), relatively unchanged from the previous year. Although demand for frozen strawberries has been increasing, low international prices have driven down production in recent years. Producers indicate that future production of frozen strawberries will increase only if prices rise and more product is diverted from the fresh market.

Mexico is the third largest frozen strawberry exporter behind Poland and China. In CY 2005, Mexico exported 44,453 tons of frozen strawberries, up 14 percent from 2004. The United States usually consumes over 95 percent of Mexico's exports of frozen strawberries.

Imports of frozen strawberries are typically quite small, but growing. In CY 2005, imports reached 1,007 tons, exponentially higher than the 2000 level. In 2005, 53 percent of those imports were supplied by the United States.

Poland

Typically, about 70 percent of Poland's strawberry crop is sold as frozen product. In CY 2006, production is forecast at 75,000 tons, down 6 percent from the previous year.

Poland is the world's largest exporter of frozen strawberries. In CY 2005, exports were 119,646 tons, up 33 percent over the previous year's level. In CY 2006, they are forecast to drop about 20 percent. Poland's top export markets are mainly other EU countries.

Poland's imports of frozen strawberries in CY 2003 were relatively small. In CY 2005, they came to 1,334 tons, down almost 40 percent from 2004.

Spain

Around 15 percent of Spain's strawberry crop is typically used for frozen and processed production. In CY 2006, production is forecast at 40,000 tons, a 5-percent increase over the previous crop.

In CY 2005, Spain exported 21,998 tons, down almost 40 percent from 2004. Almost all Spain's frozen strawberry exports are destined for the European market, with the Netherlands, France, and Germany the top importers. In 2006, exports are forecast at 20,600 tons, down 6 percent from 2005.

In CY 2005, Spain's imports of frozen strawberries totaled 15,098 tons, a decrease of about 30 percent from the CY 2004 level. The main supplier of frozen strawberries to Spain is Morocco, which supplied over 90 percent of Spain's total imports in 2005. Frozen strawberry imports are forecast to drop another 21 percent to 12,000 tons in CY 2006.

United States

Typically, around 25 percent of the U.S. strawberry crop is used for frozen and processed production. CY 2005 frozen strawberry production was 232,048 tons, relatively unchanged from the previous year.

The United States was the 10th leading frozen strawberry exporter in CY 2005. U.S. exports have fallen over the last 10 years. In CY 2005, the United States exported 9,941 tons of frozen strawberries, down more than 50 percent from 1996.

In CY 2005, the United States was the world's second largest importer of frozen strawberries after Germany, with 73,294 tons. This total represents a 29-percent increase from the previous year. In CY 2005, Mexico supplied over half of U.S. imported frozen strawberries. China accounted for 20 percent, followed by Argentina with 10 percent and Chile with 9 percent.

(The FAS Attaché Report search engine contains reports on fresh and frozen strawberry industries for more than 5 countries, including Italy, Japan, Mexico, Poland, and Spain. For information on production and trade, contact the berry analyst at 202-720-3423 or visit the strawberry commodity page at: <http://www.fas.usda.gov/http/horticulture/strawberry.html>. For information on marketing, contact Darlene Maginnis at 202-720-9125).